

## Message Text

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PAGE 01 STATE 002001  
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DRAFTED BY:S/S-O:SVALERGA

APPROVED BY:S/S-O:SVALERGA

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FM SECSTATE WASHDC

TO WHITE HOUSE IMMEDIATE

S E C R E T STATE 002001

NODIS

WHITE HOUSE FOR BRZEZINSKI ONLY

FOL TOKYO 0170 SENT ACTION SECSTATE JAN 5, 1978 REPEATED  
TO YOU QUOTE

S E C R E T TOKYO 0170

NODIS

FOR SCHIENMAN, T

E.O. 11652: GDS

TAGS: PARM, ETRD, JA

SUBJECT: SALE OF URANIUM TO JAPAN

REF: STATE 309753

1. USING REFTEL AS BASIS AND WITH DEPARTMENT'S CONCURRENCE WE  
PROPOSE TO SEND FOLLOWING LETTER TO PRIME MINISTER FUKUDA FROM  
AMBASSADOR AS A REPLY TO HIS SEVERAL QUERIES REGARDING AVAIL-  
ABILITY OF ENRICHED URANIUM FOR SALE TO JAPAN:

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2. BEGIN QUOTE:

DEAR MR. PRIME MINISTER:

ON A NUMBER OF OCCASIONS YOU HAVE MENTIONED TO ME THAT YOU  
REMAIN INTERESTED IN PURCHASES BY JAPAN OF LARGE QUANTITIES OF  
ENRICHED URANIUM FROM THE UNITED STATES GOVERNMENT AS ONE MEANS

OF REDUCING JAPAN'S LARGE TRADE SURPLUS WITH MY COUNTRY.

I HAVE COMMUNICATED YOUR INTEREST TO MY GOVERNMENT AND HAVE BEEN ADVISED IN RETURN THAT AN ARRANGEMENT OF THE TYPE PROPOSED BY JAPANESE OFFICIALS WOULD REQUIRE A MAJOR CHANGE IN THE U.S. GOVERNMENT'S POLICY ON URANIUM FUEL SALES AND COULD HAVE AN ADVERSE IMPACT ON OVERALL U.S. NON-PROLIFERATION POLICY. THE U.S. GOVERNMENT DOES NOT ITSELF ENGAGE IN THE SALE OF NATURAL URANIUM FEEDSTOCKS AND DOES NOT WISH TO CONSIDER MAKING CHANGES IN ITS URANIUM FUEL POLICY UNTIL IT HAS EVALUATED ALTERNATIVE FUEL ASSURANCE REGIMES THAT ARE BEING STUDIED BOTH IN THE CONGRESS AND WITHIN THE EXECUTIVE BRANCH. WE THEREFORE WISH TO DEFER FURTHER ACTION ON THE JAPANESE REQUEST TO PURCHASE ENRICHED URANIUM UNTIL THE EVALUATION IS COMPLETED.

IN THE INTERIM, THE U.S. GOVERNMENT WISHES TO EXTEND TO THE GOVERNMENT OF JAPAN THE OPPORTUNITY TO MAINTAIN A CONTINUOUS DIALOGUE ON THIS SUBJECT, BOTH BILATERALLY AND THROUGH THE AUSPICES OF THE INTERNATIONAL NUCLEAR FUEL CYCLE EVALUATION (INFCE) NOW IN PROGRESS. OUR OBJECTIVE WOULD BE TO FIND A MUTUALLY SATISFACTORY SOLUTION TO THE FUEL ASSURANCE PROBLEM IN TERMS OF BOTH NATURAL URANIUM FEEDSTOCK SUPPLIES AND ENRICHMENT SERVICES. FOR EXAMPLE, WE COULD DISCUSS THE PROCUREMENT BY JAPAN OF FURTHER URANIUM ENRICHMENT SERVICES, AND WE ARE ALSO PREPARED TO OFFER OUR GOOD OFFICES IN HELPING  
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JAPAN TO SECURE STABLE SUPPLIES OF NATURAL URANIUM FEEDSTOCKS FROM THE U.S. COMMERCIAL MARKET OR FROM OTHER SUPPLIERS.

I SHOULD ALSO POINT OUT THAT WHILE THE PURCHASE OF A LARGE AMOUNT OF ENRICHED URANIUM FROM THE U.S. WOULD HAVE SOME PSYCHOLOGICAL ADVANTAGES IN THE CONTEXT OF THE BALANCE OF TRADE PROBLEM, IT WOULD NOT SERVE TO ALLEVIATE THE PROBLEM MATERIALLY OVER A PERIOD OF YEARS. WE BELIEVE THAT, AS A GENERAL RULE, OUR BALANCE OF TRADE CONCERNS ARE BEST MET THROUGH EFFORTS TO ACHIEVE STRUCTURAL CHANGES IN TRADING RELATIONS RATHER THAN THROUGH ONE-TIME-ONLY PROCUREMENTS.

THERE MAY BE OTHER PROCUREMENT POSSIBILITIES WITHIN THE NUCLEAR ENERGY FIELD THAT WOULD HAVE MORE LASTING EFFECTS ON THE U.S.-JAPAN BALANCE OF TRADE THAN THE PURCHASE OF ENRICHED URANIUM. I AM THINKING PARTICULARLY OF ADDITIONAL PURCHASES OF NUCLEAR POWER PLANT COMPONENTS OR ADVANCED TECHNOLOGY THEREFORE FROM U.S. REACTOR MANUFACTURERS. THE MANUFACTURERS HAVE PROPOSED SUCH SALES TO THE U.S. SPECIAL TRADE REPRESENTATIVE AND HAVE BEEN DISCUSSING THE POSSIBILITIES WITH THEIR JAPANESE COUNTERPARTS. THE UNITED STATES WOULD NOT WISH TO PUT THE

JAPANESE MANUFACTURING INDUSTRY IN JEOPARDY BY THESE SALES,  
BUT BELIEVES THAT A MUTUALLY CONSTRUCTIVE PROGRAM COULD BE  
DEVELOPED. AGAIN, THE UNITED STATES OFFERS ITS GOOD OFFICES  
IN EXPEDITING AN ARRANGEMENT.

SINCERELY,

AMBASSADOR END QUOTE.

3. FYI: WE HAVE MADE NO REFERENCE TO PURCHASE OF URANIUM  
ENRICHMENT PLANTS (PARA 5 REFTEL) AND WILL INSURE THAT GOJ  
IS INFORMED OF USG POSITION ON THIS ASPECT THROUGH CONTACTS  
AT WORKING LEVEL. WE BELIEVE NOW THAT REFERENCE TO ENRICHMENT  
PLANTS ATTRIBUTED TO PRIME MINISTER MAY HAVE BEEN A  
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MISUNDERSTANDING ON HIS PART DUE TO TRANSLATION PROBLEMS.  
END FYI.

4. REQUEST DEPT'S APPROVAL OF TEXT OF PROPOSED LETTER OR  
COMMENTS THEREON ASAP. SHERMAN UNQUOTE CHRISTOPHER

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NNN

## Message Attributes

**Automatic Decaptioning:** Z  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** SALES, URANIUM, CAT-B, DIPLOMATIC COMMUNICATIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 05 jan 1978  
**Decaption Date:** 20 Mar 2014  
**Decaption Note:** 25 YEAR REVIEW  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
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**Disposition Reason:**  
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**Executive Order:** GS  
**Errors:** N/A  
**Expiration:**  
**Film Number:** N780001-0150  
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**Original Handling Restrictions:** NODIS, ONLY  
**Original Previous Classification:** n/a  
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**SAS ID:** 3823319  
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**Status:** NATIVE  
**Subject:** SALE OF URANIUM TO JAPAN  
**TAGS:** PARM, ETRD, JA  
**To:** WHITE HOUSE  
**Type:** TE  
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